

SATURDAY, AUGUST 22, 1992

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■ Business File, 11 a.m. today, Channel 9.
■ Wall Street Week, 1 p.m. tomorrow, Channel 9.
■ Adam Smith's Money World, 1:30 p.m. tomorrow, Channel 9.

FCC plans to curb 'cold calls'

Brokers fear excessive rules could hurt jobs

Bloomberg News Service

NEW YORK — The Federal Communications Commission is expected to establish rules regulating telemarketing next month that could severely restrict securities brokers from making unsolicited calls to potential clients.

The unsolicited calls, known as "cold calls," are an important part of a broker's business, especially for new brokers trying to start client relationships, said Michael Esser, a principal at Edward Jones, a securities firm.

"It's going to be a major shift in the way securities firms do business," Esser said.

The FCC is expected to regulate cold calling in a broader law called the Telephone Consumer Protection Act of 1991, said William Jordan, a director at the Securities Industry Association, a trade group. The law, signed by President Bush last December, was written to protect people from unwanted telephone solicitations.

The law is expected to limit computer-driven calls and automated phone solicitations. It also may help reduce high-pressure telephone pitches by stockbrokers and other sales groups.

An FCC spokesman declined to comment on the agency's plans.

Jordan said the FCC probably will limit the time when brokers can make cold calls to between 9 a.m. and 9 p.m. That's reasonable, stock brokers said. "I don't think it'll have a bad effect," said Mark Fischer, a corporate financial consultant at Merrill Lynch & Co.'s Baltimore branch.

The FCC also may require securities firms to compile and maintain "do not call" lists to warn brokers against calling people who have already said they don't want to be solicited over the phone.

That rule probably would work, but only if warnings lasted for a limited time, say six months, Fischer said. "My feeling has always been maybe I might be catching a guy on a bad day," he said. Six months later, the potential customer might be in a better mood or need a brokers' services, Fischer said.

The Securities Industry Association is concerned that more restrictive proposals may keep legitimate brokers from doing business, Jordan said. Fischer said about 25 to 30 percent of his new clients came from cold calls when he started as a broker 11 years ago.

One of the more restrictive proposals under FCC consideration is creating a national database of all people who don't want to receive telephone solicitations, Jordan said. Such a database would be unwieldy and expensive, he said.

Another proposal to place special marks in phone books by the names of people who don't want to be solicited creates difficulties because it would require telemarketers to get all the phone books in every area they call, Jordan said.

The FCC also may propose communications technologies that would allow people to prohibit telemarketers from calling them, Jordan said. Jordan said he doesn't think that technology exists.

States may pass their own rules on cold calling if they think the FCC hasn't gone far enough, Jordan said. About 20 states are considering legislation regulating cold calling, he said.

Some of the rules under consideration by state legislatures could hurt securities firms, industry officials said. For example some states are considering bills that would allow certain investors to back out of transactions made over the phone.



Kevin Bramble

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TO ALL INTERESTED PARTIES, 9/28/92

I AM taking this time to write because in such hard times I find it hard to think that the F.C.C. is trying to take away a large part of my ability to serve the public.

I call person to person on a regular basis, my conversation only lasts 15 seconds. I do not use direct dialing, or recorded messages.

For the most part I get no complaints and my calls are often welcomed.

Docket # 92-70, Telephone Consumer Protection Act of 1991, will take me out of my business.

I hope you reconsider this bill.
I must continue to feed my family
without the help of the Federal
GOVERNMENT.

KEVIN DEANBLE
REALTY PROFESSIONALS
34034 W 8 Mile
Farmington Hills, MI 48335
Phone 313-476-5300



JOSEPH E. MAINOUS

Real Estate - Appraisals

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August 18, 1992

Office of the Secretary
Federal Communications Commission
Attn: Docket No. 92-90
1919 M St. N.W.
Washington, D.C. 20554

Gentlemen (or Gentleladies):

Enclosed is a clipping from Realtor News in which all Realtors are asked to flood you with letters protesting a ban on unwanted telephone solicitations. I want to go on record as one Realtor who strongly favors such a ban.

The argument that such invasions of privacy are a "key part of real estate business" is not pertinent, not true and not persuasive. I have been a very successful Realtor for 37 years without using such methods and I do not support the incompetent, unethical few who need to resort to this low grade operation to survive.

I am surprised and disgusted that the National Association of Realtors would be involved in supporting such tactics. This is the kind of thing which has discredited Trade Associations over the past 30 years. They seem to become captives of the lowest and most unethical elements in the Associations.

My opinion is almost certainly one held by a majority of 95% of all Realtors. I have never had one person who was in favor of permitting these unwanted calls by stock salesmen, Realtors or lawn care outfits.

Very truly yours,

Joseph E. Mainous

legislation under consideration in Congress. For more information on the outreach efforts, call NAR's State and Municipal Government Affairs Division at 202/383-1194.

NAR seeks to preclude FCC ban on 'cold' calls

Do you use the telephone extensively to market your services to potential homebuyers and sellers?

If the answer is yes, then the NATIONAL ASSOCIATION OF REALTORS® wants you to write to the Federal Communications Commission this week and urge it not to restrict your ability to use person-to-person telephone solicitations.

The FCC is drafting regulations to implement the Telephone Consumer Protection Act of 1991, which restricts the use of automatic dialing systems and requires the FCC to consider restrictions on person-to-person solicitations of residential homes, NAR analysts said. Final regulations are due in mid-September, so REALTORS® should write the FCC as soon as possible, they said.

In a comment letter to the FCC earlier this summer, the national association asked the commission not to restrict person-to-person telephone solicitations because "complaints about this marketing method are extremely low in comparison to other methods such as the use of arti-

cial, computer-generated solicitations."

NAR noted that a key part of the residential real estate business involves using the telephone for person-to-person solicitations. Association analysts suggest you may want to make the same point in your letter.

Specifically, NAR would like you to tell the FCC how important "cold" calling is to *your* business in particular and the residential real estate industry in general. NAR analysts said it's important to refer to "Docket No. 92-90, Telephone Consumer Protection Act of 1991" in all letters.

Direct letters to: Office of the Secretary, Federal Communications Commission, Attn: Docket No. 92-90, 1919 M St. N.W., Washington, D.C. 20554.

For more information on the rules being drafted by the FCC, contact Roy DeLoach in NAR's Washington, D.C., office at 202/383-1171.

